

Operations Memorandum - LIHEAP OPS121002

October 19, 2012

SUBJECT: 2012-13 Low-Income Home Energy Assistance Program (LIHEAP) Policy, Procedures and Form Changes
TO: Executive Directors
FROM: Richard Wallace, Acting Director, Bureau of Operations

Purpose

To provide County Assistance Offices (CAOs) with LIHEAP policy, procedures and form changes for the 2012-13 program year.

Background

As in previous years and prior to the start of LIHEAP, staff is provided with an Operations Memorandum that provides policy, guidance, procedures and form changes that concern LIHEAP for the upcoming season.

In addition, below is a timeline for this year's LIHEAP:

- Paper application supply available to CAOs (Week of October 22, 2012);
- COMPASS and paper applications will be accepted (November 1, 2012);
- Cash Component (November 1, 2012 through March 29, 2013);
- Crisis Exception Payment (November 1, 2012 through January 1, 2013);
- Crisis Component (January 2, 2013 through March 29, 2013).

Discussion

LIHEAP has two main components: Cash and Crisis. In addition, to help those who are without heat and whose cash benefit alone will not restore service prior to the start of the regular Crisis component, there will be available a "Crisis Exception Payment." Following is the specific information regarding this LIHEAP season:

I. Policy Issues

Income Guidelines

The income eligibility limit is set at 150 percent of the Federal Poverty Income Guidelines (FPIGs).

Household	Limit
1	\$16,755
2	\$22,695
3	\$28,635
4	\$34,575
Each additional person	\$ 5,940

Minimum Cash Benefit Amount

The system benefit tables were revised to reflect the updated cash component benefit amounts and income eligibility limits.

The minimum cash benefit is set at \$100.

Maximum Cash Benefit Amount

The maximum cash benefit amount is set at \$1,000.

Minimum Crisis Benefit Amount

The minimum crisis benefit is set at \$25.

Households who require less than \$25 to resolve their home-heating emergency will not be eligible to receive a crisis grant.

Crisis Benefit Amount

The maximum crisis benefit amount is \$400.

Policy Clarifications and Alignments

The State Plan has the following six policy revisions for this year:

- If an overpayment occurs that was not caused by fraud, error or misrepresentation, by the client or the vendor, the overpayment will be considered an administrative error. No restitution is required by the client or the vendor and no referral will be made to the Office of Inspector General.
- The applicant may choose whether the time period to be used in determining gross annual income shall be for the 12 months or the calendar month prior to the month of application. The 12 month income test will be calculated manually; a spreadsheet will be provided that will assist in determining the household income.
- Allowing all students, not just undergraduate students, to exclude educational assistance from scholarships, grants and loans as income unless it is solely for basic living needs such as housing and food and the amount of income from other sources used to pay out-of-pocket expenses for books and other required educational fees.
- A person who has unearned income may get a deduction for expenses that he or she has to pay to get that income, such as attorney fees, court costs and transportation costs.
- For actual child support received, whether court-ordered support or voluntary support from a legally responsible relative, up to the first \$100 will be excluded in determining household income if there is one child under age 18 in the household. If there are two or more children under age 18 in the household, up to \$200 will be excluded. Also, up to the first \$50 of actual spousal support received in a given month will be excluded. If a household receives both child support and spousal support, only the amount which is the greatest will be excluded for that month; the household will not receive both a child support and spousal support deduction in the same month. All support refunded by DPW during the month is excluded.
- Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates are to be counted as unearned income.

- If it has been brought to the attention of DPW that there has been a change in the material information on the application, workers must act on known changes that occur after the application is received, but before it is processed, and use the new information in determining eligibility for LIHEAP.

II. Cash Component

Application of the Cash Grant

A cash benefit will be applied to the main heating source. The household may have the cash grant applied to a secondary heating source only if the secondary heating source is needed to run the main heating source (e.g., electricity to run an oil furnace).

III. Crisis Component

LIHEAP Crisis Exception Policy

CAOs may begin issuing Crisis Exception Payments to households without heat when the LIHEAP cash component opens on November 1, 2012. Households must meet the following criteria to be considered “Without Heat”:

- A household’s main heating source or secondary heating source (a source that is used to operate the main heating source or used if the main heating source is not working) has been completely shut-off;

OR

- A household has almost run out of their supply of main heating fuel (coal, fuel oil, kerosene, propane, wood, etc.).

Important: LIHEAP Crisis Exceptions will be considered “Crisis grants” and will be restricted to the maximum and minimum crisis grant limits.

To apply and be eligible for a LIHEAP Crisis Exception, a household must:

1. Be determined eligible for LIHEAP benefits following established LIHEAP eligibility procedures (applying and providing all necessary verification).
2. Verify that the household's main or secondary heating source has been completely shut-off (verification from a utility) or they have almost run out of their supply of main heating fuel (can be verbal verification from household). Note: A shut-off notice does not meet the definition of "Without Heat". Termination of service will be verified by the CAO.
3. Be authorized for a cash grant amount that is insufficient to restore heat to the household.

What are the steps a CAO follows to process a Household's LIHEAP Crisis Exception?

Please refer to Section IV of the [LIHEAP User Manual](#) for the procedure to be used in processing Crisis Exception payments.

Application of the Crisis Grant

A household may receive more than one crisis benefit during the program year, subject to the minimum and maximum amounts allowed under the current LIHEAP State Plan. The amount of a crisis grant cannot exceed the amount necessary to resolve the crisis.

Weatherization Referrals

CAOs can begin making crisis referrals for the Weatherization Assistance Program when LIHEAP opens on November 1, 2012. Please refer to Section II(H) of the [LIHEAP](#)

[User Manual](#) for procedures related to weatherization referrals.

Off-Hour Coverage

Federal policy mandates that the Crisis component must be available 7 days a week, 24 hours daily. The CAOs must continue this practice when the crisis component opens on January 2, 2013. For procedures related to after-hours crisis requests, please refer to Section III(C) of the [LIHEAP User Manual](#).

IV. Forms

PWEA 1 - LIHEAP Application Form (Changes)

The PWEA 1 was revised as follows:

- The first section was changed to include the phone number for the household.
- The question about Weatherization has been revised to make it clear that they will be referred to a free Weatherization service.
- The instructions in the income section and on the final page have been revised to request only income from the month prior to the month of application.
- The section that collects demographic information for each individual was changed to now also include a question about marital status.
- In the Certification section on page 3, the Energy Assistance Affidavit has been revised for the purpose of making it easier to understand.
- A reminder was added to the “Did you remember to...” section on the final page that informs clients that starting November 1, 2012, if they are without heat or in danger of being without heat they are to contact their CAO.
- The following questions, which were previously asked only on the household level, are now asked of each individual on the application:

1. Are you currently receiving Cash, Medical Assistance or SNAP benefits?
2. If yes, may we use the income you have on file for this application?

V. Vendors

LIHEAP Compliance Unit

The LIHEAP Compliance Unit is available to handle all issues concerning vendors and can be reached at 1-877-537-9517, Monday through Friday, 8:00 AM to 4:00 PM.

Vendors have the option to receive payments and/or Remittance Advices electronically. Vendors wishing to sign up for Electronic Funds Transfer (EFT) must complete the PWEA 41, which is available on Docushare. If vendors have any questions concerning EFT or wish to sign up for the Electronic Remittance Advice (RA), please instruct them to contact the LIHEAP Compliance Unit.

Payments to vendors will be made on the 13th calendar day after the close of the Voucher for a given week. Since Vouchers close on Thursday evenings, the payment dates should always fall on a Wednesday.

Vendor Agreement

The PWEA 34 Vendor Agreement was changed to reflect the following:

- Vendors are now allowed to charge the cash price normally charged for energy delivered or the same amount a non-LIHEAP household would be billed for an identical delivery, whichever is more beneficial for the client.
- The Vendor Agreement now asks for a contact person, their phone number and email address and if the vendor has a phone number or website they want DPW to use to verify a client's heating responsibility.

New Vendor Agreements were mailed to vendors who were active participants of the LIHEAP program. In order to participate again this year, the vendors must sign and return the new Vendor Agreement. All signed vendor agreements are returned and

stored with the LIHEAP Compliance Unit.

Next Steps

1. Implement the policy, procedures and form instructions in this memorandum for the 2012-13 program year.
2. This Operations Memorandum will become obsolete on June 30, 2013.